THE HONOURABLE SRI JUSTICE

A.GOPAL REDDY

W.P.No.21813 of 2004

Dt.28-03-2006

Between:

N.Vijaya Saradhi

..petitioner

and

1.The Joint Registrar/Dist. Coop. Officer, W.G.Dist. Eluru and others

..Respondents.

THE HONOURABLE SRI JUSTICE

A.GOPAL REDDY

W.P.No.21813 of 2004

Oral Order:

Petitioner earlier filed W.P.No.19254 of 2004 questioning the impugned order and obtained suspension of the same in W.P.M.P.No.25224 of 2004. The said writ petition was dismissed granting liberty to file fresh writ petition questioning the order impugned in the writ petition. While dismissing the writ petition it was observed that earlier another director had filed W.P.No.2951 of 2004 and obtained interim order on 19-02-2004, which was subsequently withdrawn. In view of the same, interim direction was granted in favour of the petitioner. Petitioner does know as to how the impugned proceedings can be challenged nor come out with specific averment in the affidavit. Therefore, writ petition is dismissed granting liberty to file fresh writ

petition.

In spite of the same, petitioner has not chosen to make any specific allegations against the R.B.I. at whose instance the above orders are passed. Unless the petitioner specifically pleads that the order passed by the R.B.I. is in violation of principles of natural justice nor at any time RBI pointed out the illegalities or irregularities committed while conducting banking business by the petitioner and failed to rectify the mistake pointed out and complied the directions issued by the RBI.

The Reserve Bank of India filed a detailed counter stating that inspection conducted by the R.B.I. in the months of February and December, 2003 reveal that the bank failed to maintain Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required under Sections 18 and 24 of the Banking Regulation Act, 1949 and accordingly it was pointed out the non-maintenance of SLR, CRR and several opportunities were given to the bank to rectify the defects. Though the bank reported that it had rectified the defects, the inspection conducted in the month of December, 2003 reveals that the bank has not rectified the defects and it was not maintaining the requisite CRR and SLR as stipulated under the Banking Regulation Act, 1949 and accordingly directions are issued.

The said averments made by the RBI have not been controvered by the petitioner by filing any reply.

A Division Bench of this Court in ***RESERVE BANK OF INDIA v. REGISTRAR/DISTRICT CO-OPERATIVE OFFICER*** categorically held that registrar is bound to make appropriate orders in terms of Section 115-B (iii) of A.P. Co-operative Societies Act, 1964. The provisions of Section 115-B (iii) are independent of Section 34 and the right of hearing as contemplated under Section 34 of Act stands excluded. The 3rd respondent bank as well as Board of Directors had reasonable opportunity to meet stand of RBI and further show cause notice would be only a futile exercise.

Unless the RBI issues specific direction, directing supersession of the Managing Committee as arbitrary and illegal, it is difficult to find fault in implementing the direction issued by the 1st respondent at the directives of R.B.I., which is binding on him.

In view of the same, writ petition fails and it is accordingly dismissed. No costs.

_____ A.GOPAL REDDY, J.

28-03-2006

Murthy